



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Memorandum

JAN 13 1995

Date

From

June Gibbs Brown
Inspector General

Subject

Review of the Island Peer Review Organization's Denials of Full Medical Assistance Claims That New York State Identified as Pended or Denied Through the Automated Void Process (A-02-94-01008)

To

Bruce C. Vladeck
Administrator
Health Care Financing Administration

This memorandum alerts you to the issuance on January 19, 1995 of our final audit report. A copy is attached.

The primary purpose of our review was to determine why the Island Peer Review Organization's (IPRO) denials of Medicaid claims were rejected by New York's Medicaid Management Information System (MMIS) and to determine whether any of the claims denials warrant additional recovery action by New York State (NYS). Our review was made of IPRO's denial determinations for admissions on or after January 1, 1988 and included denials submitted by IPRO through March 27, 1993.

We determined that the primary cause of these claims denial rejections by MMIS was systems incompatibility. Our review also found that no formal review of the rejected claims denials had been made by NYS. Rather, we were advised that State officials believed that the claims denials had already been recouped because the affected providers had voluntarily submitted the claims denials themselves prior to IPRO's submission. Accordingly, State officials believed that the recoveries had been made and that no further recovery action was required.

Of the 2,281 claims denials reviewed, we found that 1,100 or 48 percent had voluntarily been processed by the providers. For another 335 claims denials, we determined that IPRO had reversed its original denial determination. Therefore, for 1,435 claims denials, no further recovery action is warranted.

However, for the remaining 846 claims denials, we believe that IPRO's denial determinations remain valid but timing factors, system limitations, clerical errors, and

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lack of follow-up have precluded the processing of the necessary financial adjustments. For these claims, we believe additional recovery action should be initiated by NYS. For the 846 claims, we identified a potential unrecovered amount of \$5,029,429 (Federal share \$1,997,235) in claims denials submitted by IPRO that were not processed. As a result, neither the State nor the Federal Government have been properly credited with their share of these overpayments.

We are recommending that NYS work with IPRO and the affected providers to review our findings and determine what portion of the amount that we identified as unrecovered represents firm denial amounts. Once determined, the unrecovered claims should be recouped and the Federal share returned. In addition, we are recommending that NYS institute procedures to preclude this situation from recurring.

In their comments, State officials generally concur with the recommendations discussed in our report. In addition, regional officials of the Health Care Financing Administration also concurred with the findings and recommendations contained in our report.

For further information, contact:
John Tournour
Regional Inspector General
for Audit Services, Region II
(212) 264-4620

Attachment

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF THE ISLAND PEER REVIEW
ORGANIZATION'S DENIALS OF FULL
MEDICAL ASSISTANCE CLAIMS THAT
NEW YORK STATE IDENTIFIED AS
PENDED OR DENIED THROUGH THE
AUTOMATED VOID PROCESS**



JUNE GIBBS BROWN
Inspector General

JANUARY 1995
A-02-94-01008



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General
Office of Audit Services

Region II
Jacob K. Javits Federal Building
26 Federal Plaza
New York, NY 10278

Our Reference: Common Identification Number A-02-94-01008

Mr. Michael J. Dowling
Commissioner
New York State Department
of Social Services
40 North Pearl Street
Albany, New York 12243

Dear Mr. Dowling:

This is to advise you of the results of our REVIEW OF THE ISLAND PEER REVIEW ORGANIZATION'S DENIALS OF FULL MEDICAL ASSISTANCE CLAIMS THAT NEW YORK STATE IDENTIFIED AS PENDED OR DENIED THROUGH THE AUTOMATED VOID PROCESS.

The primary purpose of our review was to determine why the Island Peer Review Organization's (IPRO) denials were rejected and categorized as Pended or Denied by the Medicaid Management Information System (MMIS) and to determine whether any of the identified pended or denied transactions warrant additional recovery action by New York State (NYS). Our review was made of IPRO's denial determinations for admissions on or after January 1, 1988 and included denials submitted for voiding by IPRO through March 27, 1993.

During our review period, IPRO was under contract with NYS to perform peer reviews of inpatient hospital stays to determine whether the services were appropriate and met professionally recognized standards. In performing these reviews, IPRO had the authority to deny claims when their examination of medical records determined that the claimed services were inappropriate or failed to meet professional standards. In this regard, IPRO developed the capacity to submit voided claims information via computer tapes directly to Computer Sciences Corporation (CSC) which is the fiscal agent for the NYS Medicaid program. The CSC operates the State's computerized MMIS and processes IPRO's voids which should result in the recovery of the affected Medicaid funds.

We examined denial data appearing on computer generated reports entitled Pended or Denied Void Transactions. These computer reports contained data on 2,281 hospital claims which IPRO had denied, submitted to CSC for voiding under the automated void system, but which the MMIS rejected as being unable to be processed. We recently issued a final audit report (performed under CIN A-02-93-01023) on the automated void system and those denials that were successfully voided. Our current audit builds upon the knowledge of the automated void system that we gained during our previous audit. As part of our current review, we analyzed why the denial transactions were rejected by the system, what action NYS took to resolve the pended or denied transactions and we evaluated whether additional recovery action by NYS appeared warranted. Where our analysis indicated that a potential unrecovered denial determination existed, we computed the amount to be recouped.

We determined that the primary factor which caused the 2,281 claims to be pended or denied was that the claim reference numbers (CRNs), (a unique number assigned by the MMIS to each claim) on the IPRO automated void tapes did not match the CRNs contained on the MMIS inpatient paid history files at CSC. A further discussion as to why the CRNs did not match is contained in the body of our report.

Our audit determined that no formal review of the pended or denied claims had been made by NYS. Rather, we were advised that State officials believed that the claims appearing on the Pended or Denied Void Transactions reports had been recouped because the affected providers had voluntarily submitted the voided claims themselves directly to CSC prior to IPRO's submission. Accordingly, State officials believed that the recoveries had been made and that no further action was required.

Of the 2,281 pended or denied claims reviewed, we found that 1,100 or 48 percent were attributable to the State's explanation that the providers themselves had voluntarily processed the necessary voids or adjustments. For another 335 claims, we determined that IPRO had reversed its original denial determinations subsequent to the printing of the Pended or Denied Void Transactions report. Accordingly, for these 1,435 claims, no further recovery action is warranted and their status as pended or denied claims has been resolved.

However, for the remaining 846 claims, we believe that IPRO's denial determinations remain valid but timing factors, system limitations involving the CRN field, clerical errors and lack of follow-up have precluded the processing of the necessary financial adjustments. For these claims, we believe additional recovery action should be initiated by NYS and we have

computed the potential financial effect of the unprocessed denial determinations. For the 846 claims, we identified a potential unrecovered amount of \$5,029,429 (Federal share \$1,997,235) in claims submitted for voiding by IPRO that were not processed by CSC. The 846 claims represent denials involving 107 hospitals that were pended or denied during the processing phase and still remain unrecovered. As a result, neither the State nor the Federal Government have been properly credited with their share of these overpayments.

We are recommending that NYS work with IPRO and the affected providers to review our findings and determine what portion of the amount that we identified as unrecovered represents firm denial amounts. Once determined, the unrecovered claims should be recouped and the Federal share returned. In addition, we are recommending that NYS institute follow-up procedures to timely review, evaluate, and clear transactions appearing on the Pended or Denied Void Transactions reports.

INTRODUCTION

Background

The Medicaid program, authorized by Title XIX of the Social Security Act, as amended, provides grants to States for furnishing medical assistance to eligible low-income persons. The States arrange with medical service providers such as physicians, pharmacies, hospitals, nursing homes, and other organizations to provide the needed medical assistance.

On May 1, 1966, NYS initiated its Medicaid program. The NYS Department of Social Services (DSS) is the Single State Agency for Medicaid. The DSS delegates certain of its responsibilities to other State agencies. One such agency is the Department of Health (DOH). The DOH is responsible for developing medical standards, monitoring the quality of care provided to patients, and establishing Medicaid rates and fees. To ensure that the services provided to a patient are appropriate and to help control health care costs, DOH contracted with IPRO to perform utilization reviews. As part of their reviews, IPRO evaluates the appropriateness of inpatient hospital admissions and discharges and reviews the quality of care provided.

During our review period, IPRO's responsibilities included reviewing inpatient stays (except AIDS cases) at New York City and Long Island hospitals from January 1988 to April 1989, reviewing inpatient stays (except AIDS cases) at all NYS hospitals after April 1989, and reviewing selected AIDS cases after

April 1991. When IPRO performed peer reviews of inpatient hospital stays reimbursed by Medicaid, it determined whether the care provided met professionally recognized standards. Based on their peer review, IPRO either approved a hospital stay, disallowed the entire stay which should have resulted in full recovery of Medicaid funds, or disallowed a portion of the stay which should have resulted in partial recovery of Medicaid funds.

When IPRO denied an entire stay or portion of a stay, the denial determination was sent to the affected hospital. Hospital officials then had the opportunity to appeal the determination. For admissions on or after January 1, 1988, IPRO had the capability of submitting claims to be voided via computer tapes to New York's MMIS fiscal agent. When processed successfully, the voided claims resulted in the recovery of IPRO's full denials.

On April 13, 1994, we issued a final audit report entitled REVIEW OF THE ISLAND PEER REVIEW ORGANIZATIONS DENIALS OF FULL MEDICAL ASSISTANT CLAIMS THAT NEW YORK STATE IDENTIFIED AS SUCCESSFULLY RECOVERED THROUGH THE AUTOMATED VOID PROCESS (Common Identification Number A-02-93-01023). In performing our current audit, we utilized knowledge gained in our previous audit. Our prior audit work provided us with reasonable assurance that the automated void system was working properly. However, we did find a significant system weakness in that hospitals were resubmitting previously voided claims through the MMIS and the claims were being paid despite the fact that IPRO had made a denial determination and thus the original claim had been voided and recouped. Our current audit found evidence of this problem as well.

Scope of Review

The primary purpose of our review was to determine why IPRO's denials were rejected and categorized as pended or denied by the MMIS and to determine whether any of the identified pended or denied transactions warrant additional recovery action by New York State. Our review was made of IPRO's denial determinations for admissions on or after January 1, 1988 and included denials submitted for voiding by IPRO through March 27, 1993. Our review was limited to full denial determinations and did not include partial claims' denials.

We examined denial data appearing on computer generated reports entitled Pended or Denied Void Transactions. These computer reports contained data on 2,281 hospital claims which IPRO had denied, submitted to CSC for voiding under the automated void system, but which the MMIS system rejected as being unable to be processed. As part of our current review, we analyzed why the denial transactions were rejected by the system, what

action NYS took to resolve the pended or denied transactions and we evaluated whether additional recovery action by NYS appeared warranted. Where our analysis indicated that a potential unrecovered denial determination existed, we computed the adjustment amount.

In computing the adjustment, we obtained final denial determination information from IPRO and we performed various computer programming applications at the MMIS fiscal agent to determine if the claims submitted for voiding by IPRO, that were subsequently pended or denied by CSC, have been recovered and whether the State and the Federal Government have been credited with their share of these overpayments. Our applications extracted all inpatient claims on file at the MMIS fiscal agent for each of the recipients that IPRO denied Medicaid stays during our review period. We compared the denial determination information to the extracted claims information to determine if recoupment action had occurred. Where no recoupment action was indicated, we calculated the overpayment amount not recovered. Our computations were made as of November 4, 1993. As such, any recoupments made after this date would lower the unrecovered amounts discussed in this report.

Our review was conducted in accordance with generally accepted governmental auditing standards. It included such tests and other auditing procedures that we considered necessary in the circumstances. During our review period, we interviewed IPRO and NYS officials and reviewed applicable policies and procedures relevant to the automated void process. We documented our understanding of the automated void process and conducted tests to determine that it had been placed in operation and was working. While acquiring an understanding of the internal control structure, it became apparent that no internal controls, edits, or other mechanisms existed that would ensure recoupment of IPRO's voided claims that were pended or denied by CSC. As a result, we assessed control risk at the maximum level and decided to perform substantive testing of the total number of full Medicaid denials for the 135 hospitals included in our review. As part of our review, we did not perform a facility-wide review of the electronic data processing general and application controls within the MMIS.

Audit field work was performed at DSS, DOH, IPRO, and the MMIS fiscal agent during the period November 1993 to May 1994.

FINDINGS AND RECOMMENDATIONS

Contrary to the State's belief that no further recovery action was needed on claims appearing on the Pended or Denied Void Transaction reports, we found that for 846 of the 2,281 claims appearing on these reports, involving 107 hospitals, a potential unrecovered amount of \$5,029,429 (Federal share \$1,997,235) exists for unprocessed denial determinations made by IPRO. As neither the State nor the Federal Government have been properly credited with their share of these overpayments, we are recommending that NYS work with IPRO and the affected providers to review our findings and determine what portion of the amount that we identified as unrecovered represents firm denial amounts. Once determined, the unrecovered claims should be recouped and the Federal share returned. In addition, we are recommending that NYS institute follow-up procedures to timely review, evaluate, and clear transactions appearing on the Pended or Denied Void Transactions reports.

For our audit period, we determined that IPRO submitted a total of 2,281 voided claims that were subsequently pended or denied by CSC for 135 hospitals within NYS. These 2,281 claims appeared on IPRO's Pended or Denied Void Transactions reports. We determined that the primary factor which caused the 2,281 claims to be pended or denied was that the CRNs, (a unique number assigned by the MMIS to each claim) on the IPRO automated void tapes did not match the CRNs contained on the MMIS inpatient paid history file at CSC. Through analysis, we identified the following reasons why the CRNs would not match.

1. Providers had voluntarily submitted voided claims prior to the date when the IPRO automated void tapes were submitted for processing. In this situation, the processing of the providers' voided claims eliminated the original claims from the inpatient paid history file and when the IPRO voids were run, no match could occur. This situation should not require any additional recovery action. However, our review determined that, similar to the weaknesses identified in our earlier audit report, some providers resubmitted their previously voided claims for payment and were paid. As a result, IPRO's void process was circumvented and providers received payment for claims that had been denied.

2. Providers had submitted adjustment claims prior to the date when the IPRO automated void tapes were submitted for processing. When an adjusted claim is processed, a new CRN is assigned and the original claim's CRN is moved to the former CRN field on the inpatient paid history file. Currently, the automated void match is made against the current CRN field. As a result, the original claim's CRN will not result in a match with the adjusted claim's CRN and accordingly, the claim is pended or denied. If the adjusted claim adequately addressed the IPRO denial determination, then no further adjustment would be warranted. However, if the adjusted claim did not properly address the reason for the denial determination, then a potential recoverable amount still exists. Our review disclosed numerous potential recoverable amounts.
3. The IPRO made a few clerical errors in inputting denial determination data which resulted in non matches on the CRN field. Our review disclosed that valid denial determinations remained unprocessed because of these errors.

Through inquiry we learned that no formal review of the pended and denied claims had been made by NYS. Rather, we were advised that State officials believed that the claims appearing on the Pended or Denied Void Transactions reports had been recouped because the affected providers had voluntarily submitted the voided claims themselves directly to CSC prior to IPRO's submission. Accordingly, State officials believed that all recoveries had been made and that no further action was required.

Of the 2,281 pended or denied claims reviewed, we found that 1,100 or 48 percent were attributable to the State's explanation that the providers themselves had voluntarily processed the necessary voids or adjustments. For another 335 claims, we determined that IPRO had reversed its original denial determination subsequent to the printing of the Pended or Denied Void Transactions report. Accordingly, for these 1,435 claims, no further recovery action is warranted and their status as pended or denied claims has been resolved.

However, for the remaining 846 claims, we believe that IPRO's denial determinations remain valid but timing factors, system limitations involving the CRN field, clerical errors and lack of follow-up have precluded the processing of the necessary financial adjustments. For these claims, we believe additional recovery action should be initiated by NYS and we have computed the potential financial effect of the unprocessed denial determinations as follows:

- For 119 claims (\$471,470 - Federal share \$201,270), we determined that the providers voluntarily submitted voided claims prior to the processing of the IPRO tapes but then resubmitted these previously voided claims. The rebilled claims were then paid. In effect, the denied claims have not been recovered or properly credited.
- For 642 claims (\$4,468,715 - Federal share \$1,752,962), our review indicated that providers had submitted adjusted claims prior to the IPRO tapes being processed. Our analysis indicated that the adjusted claims covered the same periods as IPRO's original denial determinations and accordingly, there is a high probability that the denied determinations have not been effectively recovered or properly credited.
- For another 80 claims (\$24,610 - Federal share \$10,686), we determined that IPRO had meant to deny certain additional dates but inadvertently entered dates which had previously been voided on an earlier tape. Accordingly, the error caused the denial determinations to be pended or denied. The error was not detected and accordingly, these 80 claim denials were never processed and financial recovery action is warranted.
- For 5 claims (\$64,634 - Federal share \$32,317), we determined that IPRO incorrectly entered the provider numbers on their denial determination tape which then resulted in a non match when the tape was run against the inpatient paid history file. The error was not detected and thus no financial recovery was made for these 5 claims.

In summary for the 846 claims, we identified a potential unrecovered amount of \$5,029,429 (Federal share \$1,997,235) in claims submitted for voiding by IPRO that were not processed by CSC. The 846 claims represent denials involving 107 hospitals that were pended or denied during the processing phase and still remain unrecovered. As a result, neither the State nor the Federal Government have been properly credited with their share of these overpayments.

APPENDIX A of our report includes a summary of the total and Federal share amounts identified by our audit as unrecovered for the 107 hospitals in question. New York State will have to determine what portion of these voided claims represent firm overpayments which need to be recouped.

Recommendations

We recommend that NYS:

1. Work with IPRO and the affected providers to determine what portion of the \$5,029,429 (Federal share \$1,997,235) identified by our audit represents firm denial amounts that remain unrecovered. Once determined, NYS should recoup the overpayment amounts and credit the Federal Government with its share.
2. Institute follow-up procedures to timely review, evaluate, and clear transactions appearing on the Pended or Denied Void Transactions reports.

OTHER MATTERS

During our review, we found void transactions which IPRO had submitted that were subsequently pended or denied for admissions prior to our audit period. Specifically, our review found that IPRO submitted a total of 704 voided claims with admission dates prior to January 1, 1988 that were not processed by CSC. Our audit determined that 646 of the 704 voided claims were included in a prior review (CIN A-02-92-01009) and accordingly, we limited our testing to the remaining 58 voided claims.

We determined that 44 of the 58 claims appeared on the MMIS claims history, but we were unable to locate the remaining 14 because the affected providers had voluntarily voided the claims themselves and the denied Medicaid funds had been recouped. For the 44 claims, we found that IPRO reversed its original denial determinations for 4 of them and that the remaining 40 claims at 20 hospitals continue to be denied and unrecovered. These 40 voided claims total \$618,579 of which the Federal share was \$180,882. APPENDIX B of our report includes a summary of the total and Federal share amounts identified by our audit as unrecovered for the 20 hospitals in question.

Recommendations

We recommend that NYS:

1. Work with IPRO and the 20 hospitals to determine what portion of the \$618,579 (Federal share \$180,882) for the 40 voided claims represents firm denial amounts that remain unrecovered. Once determined, NYS should recoup the overpayment amounts and credit the Federal Government with its share.

STATE AGENCY COMMENTS

In their comments dated October 31, 1994, DSS officials indicated that they have shared our report with DOH officials as well as DSS Program staff. In response to recommendation number one on page 9, DSS officials stated that they will work with DOH and IPRO to resolve these cases and if it is determined that voids are necessary, IPRO will submit the cases for processing. With respect to recommendation number two regarding instituting follow-up procedures to clear transactions appearing on the Pended or Denied Void Transactions reports, DSS officials stated that they will initiate a project with DOH and IPRO that will more closely track pended or denied voided transactions.

As for the recommendation on page 10 involving 40 claims with admission dates prior to January 1, 1988 that remain unrecovered, DSS officials stated that steps and corrective actions similar to those mentioned in response to recommendation number one will be taken.

The State's comments are provided in their entirety in APPENDIX C of this report.

OIG RESPONSE

We are pleased to note that the State generally concurs with the recommendations contained within our report. In addition, we have provided the State with the claims' history information, as requested, which should aid in the prompt recovery of pended or denied claims that remain unrecovered.

Final determination as to actions taken on all matters reported will be made by the HHS official named below. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

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In accordance with the principles of the Freedom of Information Act (Public Law 90-23), Office of the Inspector General, Office of Audit Services reports issued to the Department's grantees and contractors are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act, which the Department chooses to exercise. (See 45 CFR Part 5).

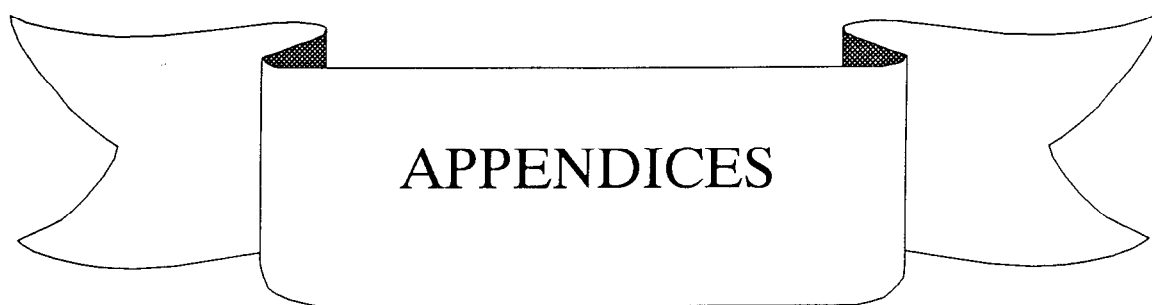
To facilitate identification, please refer to the referenced common identification number in all correspondence relating to this report.

Sincerely yours,


John Tournour
Regional Inspector General
for Audit Services

Direct Reply to HHS Action Official:

Mr. Arthur J. O'Leary
Associate Regional Administrator
Division of Medicaid, HCFA, Region II
U.S. Department of Health and Human Services
26 Federal Plaza, Rom 38-130
New York, New York 10278



APPENDICES

SCHEDULE OF NON-RECOVERED AMOUNTS
FOR ADMISSIONS ON OR AFTER 1/1/88

PROVIDER NUMBER	PROVIDER NAME	TOTAL AMOUNT NOT RECOVERED	NON-RECOVERED FEDERAL SHARE
00243105	Beth Israel Medical Center	\$352,048	\$159,702
00243132	Cabrini Medical Center	118,846	42,278
00243178	Presbyterian Hospital-NYC	51,799	12,847
00243201	St. Clare's Hospital	18,977	6,570
00243229	St. Vincent's Hospital	383,342	122,486
00243265	Pelham Bay Hospital	2,702	0
00243361	St. Barnabas Hospital	50,074	8,698
00243370	Hospital for Special Surgery	3,120	1,560
00243389	Hospital for Joint Diseases	35,177	6,849
00243421	Lenox Hill Hospital	10,659	4,003
00243449	Victory Hospital	6,870	3,067
00243458	Manhattan Eye Ear Throat Hospital	24,256	0
00243476	NY Eye & Ear Infirmary	23,297	10,168
00243509	Mount Sinai Hospital	202,682	99,308
00243518	NY Hospital	315,782	141,437
00243554	Montefiore Medical Center	93,023	35,916
00243563	Our Lady of Mercy Medical Center	25,746	10,517
00243572	Brookdale Hospital	45,844	22,099
00243590	University Hospital of Brooklyn	257,011	117,524
00243614	Brooklyn Hospital	255,059	120,686
00243641	Maimonides Medical Center	81,430	40,715
00243669	Kingsbrook Jewish Medical Center	16,214	8,107
00243678	Long Island College Hospital	31,489	12,420
00243701	Methodist Hospital of Brooklyn	5,377	2,371
00243729	Lutheran Medical Center	109,641	33,207
00243852	Jamaica Hospital	15,288	7,644
00243861	Mary Immaculate Hospital	34,124	15,061
00243898	Peninsula Hospital Center	14,042	5,855
00243903	L I J Medical Center	38,356	19,178
00243967	Nyack Hospital	3,274	690
00244091	Nassau County Medical Center	161,032	79,889
00244106	Horton Memorial Hospital	1,120	0
00244124	St. John's Queens Hospital	9,922	4,961
00244133	Booth Memorial Medical Center	54,143	18,180
00244202	Staten Island University Hospital	50,291	23,183
00245083	Union Hospital of the Bronx	2,311	1,155
00245496	South Nassau Communities Hospital	1,610	805
00245501	St. John's Riverside Hospital	11,056	5,528
00245510	North Shore University Hospital	42,576	23,788
00245529	Brookhaven Memorial Hospital	2,492	1,246
00245863	Erie County Medical Center	17,400	8,700
00246039	Bellevue Hospital Center	66,879	20,495
00246048	Bronx Municipal Hospital	71,989	31,588
00246066	Coney Island Hospital	11,839	2,295
00246075	City Hospital Center @ Elmhurst	102,392	44,105
00246108	Harlem Hospital Center	20,179	5,674
00246117	Kings County Hospital Center	66,341	14,202
00246126	Lincoln Hospital Center	29,268	12,226
00246135	Metropolitan Hospital Center	62,753	30,607
00246153	Queens Hospital	119,000	28,584
00246171	North Central Bronx	92,790	45,024
00248820	St. Vincent's Medical Center Richmond	36,681	13,477
00258920	St. Joseph's Hospital	5,176	2,588
00268319	Southside Hospital	14,502	3,330
00273092	Westchester Square Hospital	3,646	1,823
00273116	NY University Medical Center	5,826	2,913
00273845	St. Francis Hospital	1,082	541
00273914	St. Luke's Hospital of Newburgh	560	280
00273941	Good Samaritan Hospital Suffern	8,297	0
00273978	Community General Sullivan Harris	9,353	0
00274020	Benedictine Hospital	13,589	3,648
00274117	Mount Vernon Hospital	3,178	1,589
00274144	Northern Westchester Hospital	1,873	0
00274204	United Hospital	12,675	3,642
00274213	Westchester County Medical Center	132,466	54,046
00274222	White Plains Hospital	3,276	1,638
00274295	Mercy Medical Center	8,626	1,631
00274328	Central Suffolk Hospital	5,692	2,846
00274337	Eastern Long Island Hospital	15,859	7,929
00274346	Good Samaritan Hospital	10,800	5,400
00274355	Huntington Hospital	8,310	4,155
00274364	John T. Mather Memorial Hospital	14,367	7,183
00279034	Strong Memorial Hospital	126,237	61,521
00279098	Aurelia Osborn Fox Memorial Hospital	14,161	1,185
00279396	Crouse Irving Memorial Hospital	1,633	816
00302429	Community Hospital Schoharie County	1,985	992
00305000	Mary Imogene Bassett Hospital	4,034	2,017
00310903	Oneida City Hospital	1,004	0
00314998	Glens Falls Hospital	17,039	5,201
00318805	Samaritan Hospital Troy	2,610	1,305
00354072	A Barton Hepburn Hospital	675	337
00354132	Bellevue Maternity Hospital	1,044	522
00354398	Massena Memorial Hospital	788	364
00354449	Mt. St. Mary's Hospital	1,872	936
00354467	Niagara Falls Medical Center	57,242	12,910
00354485	Oswego Hospital	1,222	611
00354518	Roswell Park Memorial Institute	830	415
00354545	Sheehan Memorial Hospital	9,473	0
00354572	St. Jerome Hospital	5,207	0
00354623	Woman's Christian Association	3,852	0
00354632	Olean General Hospital	394	197
00354967	St. Luke's Roosevelt Hospital	26,308	7,986
00355142	North General Hospital	6,290	562
00357795	University Hospital	1,625	812
00360650	St. Mary's Hospital Rochester	1,559	269
00361968	Buffalo General Hospital	18,701	4,272
00363126	St. Joseph's Hospital	3,885	0
00363162	St. James Mercy Hospital	3,870	0
00476022	Bronx Lebanon Hospital	122,656	42,256
00614755	United Health Service Hospital	3,828	1,914
00647269	Beekman Downtown Hospital	4,275	1,738
00652328	Bayley Seton Hospital	55,499	27,749
00698866	Woodhull Medical Center	187,545	64,593
00710430	Beth Israel Medical Center	34,775	8,690
00729373	St. Mary's Hospital of Brooklyn	89,164	42,715
00729382	Episcopal Health Services	39,700	19,850
00734336	Interfaith Medical Center	233,701	91,033

SCHEDULE OF NON-RECOVERED AMOUNTS
FOR ADMISSIONS PRIOR TO 1/1/88

PROVIDER NUMBER	PROVIDER NAME	TOTAL AMOUNT NOT RECOUPED	NON-RECOVERED FEDERAL SHARE
00243132	Cabrini Medical Center	\$10,974	\$5,487
00243178	Presbyterian Hospital-NYC	8,840	4,420
00243201	St. Clare's Hospital	15,442	7,721
00243265	Pelham Bay Hospital	2,266	1,133
00243449	Victory Hospital	1,930	965
00243518	NY Hospital	2,708	1,354
00243572	Brookdale Hospital	189,960	0
00243590	University Hospital of Brooklyn	8,554	4,277
00243614	Brooklyn Hospital	136,838	63,158
00243701	Methodist Hospital of Brooklyn	7,340	3,670
00246039	Bellevue Hospital Center	48,203	1,563
00246048	Bronx Municipal Hospital	5,760	0
00246066	Coney Island Hospital	2,700	1,350
00246117	Kings County Hospital Center	10,260	5,130
00246153	Queens Hospital	33,908	16,954
00274364	John T. Mather Memorial Hospital	16,134	8,067
00354967	St. Luke's Roosevelt Hospital	68,635	34,317
00476022	Bronx Lebanon Hospital	31,252	12,879
00729373	St. Mary's Hospital of Brooklyn	1,852	926
00729382	Episcopal Health Services	15,023	7,511
	GRAND TOTAL FOR 20 PROVIDERS	<u>\$618,579</u>	<u>\$180,882</u>

DEPARTMENT OF SOCIAL SERVICES

40 NORTH PEARL STREET, ALBANY, NEW YORK 12243-0001

MICHAEL J. DOWLING
Commissioner



NELSON M. WEINSTOCK
Deputy Commissioner
Management Support and
Quality Improvement

October 31, 1994

OFFICE OF THE
COMPTROLLER OF THE STATE
NEW YORK REGIONAL OFFICE

NOV 9 1994

Mr. John Tournour
Regional Inspector General
for Audit Services
Office of Inspector General
Office of Audit Services
Department of Health & Human Services
Region II, Federal Building
26 Federal Plaza
New York, NY 10278

Re: HHS/OIG Draft Report: Review of
Island Peer Review
Organization's Denials of Full
Medical Assistance Claims that
NYS Identified as Pended or
Denied through the Automated
VOID Process A-02-94-01008 (94-
033)

Dear Mr. Tournour:

We shared your referenced report with the Department of Health (DOH) as well as with our Program staff for review and comment. The following is our response to the report's recommendations.

Recommendation: Work with IPRO and the affected providers to determine what portion of the \$5,029,429 (Federal share \$1,997,235) identified by our audit represents firm denial amounts that remain unrecovered. Once determined, NYS should recoup the overpayment amounts and credit the Federal Government with its share.

Response: We will work with the Department of Health and the Island Peer Review Organization (IPRO) to resolve these cases. The Department of Health plans to obtain a data tape of the 846 unresolved cases, which IPRO then will use to determine whether voids should be instituted. If voids are necessary, IPRO will submit the cases for processing.

Recommendation: Institute follow-up procedures to timely review, evaluate, and clear transactions appearing on the Pended or Denied Void Transactions reports.

Response: To help assure that payments are proper, we will initiate a project with DOH and IPRO that will more closely track pended or voided transactions.

Recommendation: Work with IPRO and the 20 hospitals to determine what portion of the \$618,579 (Federal share \$180,882) for the 40 voided claims represents firm denial amounts that remain unrecovered. Once determined, NYS should recoup the overpayment amounts and credit the Federal Government with its share.

Response: These 40 voided claims will be included as a part of the media tapes mentioned in the response to the first recommendation. If IPRO makes a determination that these claims should be recovered, the necessary steps recommended will be taken.

Thank you for sharing this report with us. We trust our comments are responsive to the issues raised.

Sincerely,



Nelson M. Weinstock
Deputy Commissioner
Division of Management Support
& Quality Improvement